

Attachment A

**NEWPORT BEACH RESTAURANT ASSOCIATION  
BUSINESS IMPROVEMENT DISTRICT  
FISCAL YEAR 2012-2013 ANNUAL REPORT**

This is the annual report for the seventeenth year of the Newport Beach Restaurant Association Business Improvement District (BID). As required by Section 36533 of the California Streets and Highways Code, the annual report shall contain the following information:

**1) Proposed Changes to the District Boundary**

There are no changes proposed to the district boundaries.

**2) Improvement and Activities for the Fiscal Year of July 1, 2013 to June 30, 2014**

The NBRA BID will institute the following programs:

Long-Term Strategic Plan Development

The BID will continue long-term strategic planning in FY 2013-2014 with the aspiration to be a food service association that is dependent on astute Advisory Board leadership and efficient program implementation. Working as a strong investor and community marketing group, the BID will extol the City's quality foodservice and brand experience.

Mission, Values and Goal Development

The BID will accomplish its mission through adherence to defined values and guiding principles with four, long-term organizational goals: Marketing and Promotion, Investor Communication and Education, Community and Stakeholder Relations, and Efficient Administration operating as a fiscally responsible organization with sustainable revenue flow and effective governance.

Priority Initiative Development

The BID has identified and will work in FY 2013-2014 to implement and exceed current and long-term association goals through 23 key activities to address the City restaurant and foodservice association challenges and realize its vision over the next three years.

Collateral Development: Creative, Production & Printing

The BID will create and print a New Establishment informational brochure, and reprint NBRA stationary and NBRA membership decals.

#### Newport Beach Dining Guide Distribution

The BID will continue distribution of the FY 2012-2013 Newport Beach Dining Guide (100,000 copies previously published) through different vendors to reach the local consumer, local corporate and tourist market in regional hotels, airports, large corporation break rooms, and other locations to assure maximum exposure.

#### Phone Reservation System

The BID will contract to provide a centralized toll-free phone reservation system for online dining reservations, information or dining guide requests.

#### Ad Campaign Creative Production & Design

The BID will contract to create new brand photography and advertising campaign copy and creative.

#### Print & Online Media Advertising Campaigns

The BID will implement national campaigns through Visit California, Newport Beach & Company, and the Anaheim/Orange County Visitor & Convention Bureau. Local advertising campaigns are planned with the Orange County Register, LA Times, the Newport Beach Chamber of Commerce, the Corona del Mar Chamber of Commerce and other BID media partners.

#### NBRA Web Site Development

The BID will continue to provide a comprehensive web site with enhanced mobile feature technology, including such features as Integrated NBRA Database Management, Real Time Restaurant Searching, Restaurants Menu Display (pdf), Multiple Image Display for Restaurants, Restaurant Online Reservations, Integrated Driving Directions, Banner Ad Manager, 1-Click Export for all Dining Guide Data, Event Management - Restaurant Week, Direct Marketing Application to Restaurants & Consumers, Social Networking Campaigns and Blog.

#### Social Media & Strategic Internet Marketing Campaign Development: Phase Two

The BID will implement new search engine optimization plans as well as Google and Facebook ad word campaigns. E-newsletters, blogs and other social networking programs will be instituted.

#### Public & Media Relations Campaigns

The BID will contract with the Business Wire Press Center to provide online PR services.

#### Partnership Development & Cooperative Marketing Campaigns

The BID will work with Newport Beach & Company, the Anaheim/Orange County Visitor & Convention Bureau, Opentable.com and various local media outlets in cooperative marketing campaigns including restaurant promotions targeting the hyper local and regional drive markets.

#### NBRA Annual Meeting

The BID will hold its Annual Meeting at a local restaurant, where it will recognize sponsors and provide a review of the financial standing of the BID, recruit members to attend Advisory Board meetings, review program achievements, and obtain feedback from the general membership.

#### NBRA Educational Seminars

The BID will coordinate Educational Seminars in conjunction with the Newport Beach Chamber of Commerce to provide benefits and networking opportunities to the general membership.

#### Community & Special Event Participation

The BID will participate and contribute to the following events: Newport Beach Relay for Life, Police Appreciation Breakfast, Newport Beach Mayor's Dinner and other special events.

#### NBRA BID Professional Memberships

The BID will maintain memberships with, but not limited to, the following entities: Anaheim/Orange County Visitor & Convention Bureau, California Restaurant Association, Newport Beach Chamber of Commerce and Newport Beach & Company.

#### NBRA BID Marketing & Association Management Fee

The BID will contract with an appropriate outside vendor to handle marketing and public relations services.

#### NBRA BID Administrator Management Fee

The BID will contract with an appropriate outside vendor to handle BID administration and to serve as a liaison with the City of Newport Beach.

#### Restaurant Week Cost Sharing

The NBRA BID will provide ancillary funding for the 2014 Newport Beach Restaurant Week in addition to whatever funds are allocated to the event by the City.

#### Administration Fee

In FY 2013-2014 fees will be paid for postal mailings, bank fees, assorted insurances and other administrative costs.

**3) The Cost of These Activities Is Projected as Follows:**

Ad Campaign & Collateral Development	\$ 4,000
Print & Online Media Advertising Campaigns	\$ 17,500
Cooperative Media Campaigns Regional Drive Market	\$ 5,000
NBRA BID Strategic Web Site & Mobile Site Development	\$ 12,500
Electronic Media – Strategic Internet Marketing Campaigns	\$ 10,000
Social Media Marketing Campaigns	\$ 12,500
Newport Beach Restaurant Week Cost Sharing	\$ 60,000
Centralized Phone Reservation System	\$ 3,500
Public & Media Relations Campaigns	\$ 3,500
NBRA BID Annual Meeting & Seminars	\$ 2,500
Community Event Participation	\$ 3,000
NBRA BID Professional Memberships	\$ 1,070
Marketing Association Management – Agency Fee	\$ 42,000
BID Administration Fee – Consultant Fee	\$ 10,000
Database Management & Misc. Operations	<u>\$ 6,000</u>

**TOTAL: \$193,070**

**4) The Method and Basis of Levying the Assessment Shall be as Follows:**

The benefit assessments will be collected by the City in one installment. Assessments shall be collected at the beginning of the fiscal year, and shall be pro-rated for new businesses that open during the year.

For establishments with less than eleven (11) employees, the assessment shall be a flat \$95.00. For establishments with greater than ten (10) employees, and whose business license tax is less than \$600.00, the benefit assessment shall be equal to the City's usual annual business license tax as established pursuant to Chapter 5.08 of the Newport Beach Municipal Code plus an additional \$65.00. For establishments with greater than ten (10) employees, and whose business license tax is \$600.00 or more, the benefit assessment shall be equal to the City's usual annual business license tax as established pursuant to Chapter 5.08 of the Newport Beach Municipal Code plus an additional \$145.00.

The penalty for delinquent payments shall be equal to that established for delinquent business license fees pursuant to Chapter 5.08 of the Newport Beach Municipal Code, providing that the penalty amount added shall in no event exceed one hundred percent (100%) of the assessment amount due.

## **5) Surplus Carryover from Fiscal Year 2012-2013**

The BID estimates that \$20,000 will be carried over from Fiscal Year 2012-2013 to Fiscal Year 2013-2014.

## **6) Sources of Contributions Other Than Levied Assessments**

The City's adopted FY 2013-2014 budget includes \$40,000 in matching funds from the City of Newport Beach. The City budget also includes \$10,000 payable to Newport Beach & Company should the BID decide to accept website, branding and other marketing assistance from the marketing organization. The BID anticipates \$2,500 from sponsors of the annual luncheon.

## **7) Past Year Accomplishments**

The Fiscal Year of 2012-2013 was a successful one for the Newport Beach Restaurant Association BID. The NBRA BID instituted and completed the following projects and initiatives:

- Retained an outside consultant to work with the Advisory Board and membership to develop a long-term strategic plan on behalf of NBRA BID.
- Retained an outside agency to work with the Advisory Board and membership to develop and execute an ongoing comprehensive strategic marketing and public relations plan of work on behalf of NBRA BID to brand Newport Beach and generate incremental revenue for restaurants and the City.
- As a top budget priority, secured valuable partnership marketing and benefit opportunity, cash sponsorships and leveraged a combined incremental in-kind media value of over \$250k to promote Newport Beach Dining and stay competitive as marketing and operational costs continue to increase.
- Developed new NBRA BID creative and identity campaign consistent with NBRA BID brand for all NBRA BID restaurants.
- Maintained a database and toll-free dining reservation system for all NBRA BID restaurants.
- Republished the 2012 NBRA Dining Guide and maintained targeted, cost-effective distribution of 100,000 copies for all NBRA BID restaurants.
- Maintained an innovative user friendly web site with consistent top organic SEO (Search Engine Optimization) enhanced placement, foodie blog, vertical media mix, social media campaign integration, online dining reservation system and over 130K annual visitors.

- Web Site Features Include: Integrated NBRA Database Management, Real Time Restaurant Searching, Restaurants Menu Display (pdf), Multiple Image Display for Restaurants, Restaurant Online Reservations, Integrated Driving Directions, Banner Ad Manager, 1-Click Export for all Dining Guide Data, Event Management - Restaurant Week, Direct Marketing Application to Restaurants & Consumers, Social Networking Campaign Integration, Mobile Web Site Development & Blog.
- Launched phase one of ongoing social media marketing foodie campaign strategy integrating web site and promotion of Newport Beach Dining to engage online community on: Facebook, Twitter, YouTube, Instagram, Pinterest, Google + and The Newport Dish Blog.
- Organized, prepared, marketed and implemented the Annual Newport Beach Restaurant Week campaign in January with record restaurant participation, strong media sponsors, impressive spike in web site analytics and a 46.7% increase in Opentable.com online dining reservations for 2013.
- Secured valuable publicity and in-kind media sponsorship generating visibility and brand awareness for Newport Beach Dining both in and out of market.
- Developed community partnership programs to position Newport Beach dining in the forefront of local patrons, travelers, media, restaurant industry leaders, decision makers and meeting event planners, in concert with the California Restaurant Association, Newport Beach Chamber of Commerce, Newport Beach & Company, Anaheim/Orange County Visitor & Convention Bureau, Orange County Tourism Council and CALTIA - Visit California.
- Integrated co-operative marketing programs with Newport Beach & Company, Newport Beach Chamber of Commerce, Anaheim/OC V&CB, Orange County Visitors Association, CALTIA - Visit California, Opentable.com, Yelp, Orange County Register, American Express, Nestle Waters North America, Sub-Zero & Wolff, Bloomingdales and numerous media outlets and industry specific sponsors.
- Co-sponsored industry-specific seminars and educational campaigns (DUI Awareness, IRS Tax & Restaurant Industry Best Practices Seminar, etc.) working in concert with the County of Orange, City of Newport Beach, Newport Beach Chamber of Commerce and the NBRA BID membership.
- Initiated development of NBRA BID purveyor collective purchasing program for Newport Beach restaurants in conjunction with Cedar Creek Systems. Conducted research and co-hosted hospitality industry informational seminar with the Newport Beach Chamber of Commerce.
- Participated in various community-wide special events through in-kind sponsorships (Chef's Cooking Pavilion at Taste of Newport, Christmas Boat Parade Auction Awards Dinner, Mayor's Dinner, Police Appreciate Breakfast, Race To Heal Hunger, Relay For Life, Civic Center Grand Opening, etc.)

- Developed tangible ways to measure the effectiveness of the NBRA BID marketing plan of work based on increased restaurant sales and publicity through the media plan, dining guide distribution, web site traffic, online and central reservation system usage and electronic surveys.
- Produced NBRA BID FY 2013 Annual Meeting to encourage participation and recruit new Board Members for all Newport Beach restaurants to attend.

#### Fiscal Year District Revenues

During the fiscal year 2012-13, the BID received approximately \$134,326.20 in member assessments and collected approximately \$14,882.39 in member assessment late fees. The City provided \$38,000 in matching funds. The BID was able to raise an additional \$15,487 in various sponsorships for Dining Guide participation. Total cash revenue for FY 2012-2013 was approximately \$202,695.

The BID will spend by fiscal year end approximately \$139,991 for approved activities. The BID's current account balance is approximately \$30,000. It is anticipated that a year-end balance of approximately \$20,000 will be carried over into the FY 2013 - 2014 budget.

The merchants of the Newport Beach Restaurant Association want to thank the City Council for their financial support and efforts on behalf of the BID.

**Newport Beach Restaurant Association  
Business Improvement District  
Priorities and Budget Outline  
July 1, 2013 – June 30, 2014**

<u>Revenues</u>	<u>Amount</u>
Funds Available FY End 2012-2013	\$ 20,000
Funds to be Collected FY 2013-2014	\$ 135,000
Anticipated City Funding	\$ 40,000
Anticipated Funds from Sponsorships	<u>\$ 2,500</u>
<b>TOTAL AVAILABLE FUNDS</b>	<b>\$ 197,500</b>

<u>Priorities</u>	<u>Amount</u>
Ad Campaign & Collateral Development	\$ 4,000
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Marketing Association Management – Agency Fee	\$ 42,000
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<b>TOTAL EXPENDITURES</b>	<b>\$ 193,070</b>